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SUBJECT: USOSCE DCM SCOTT DISCUSSES MADRID COMMITMENTS

¶1. SUMMARY: During his June 26-30 trip to Kazakhstan, USOSCE DCM Kyle Scott met with government officials and opposition and civil society leaders to discuss Kazakhstan's Madrid commitments. In meetings held after President Nazarbayev's June 29 speech, government officials strove to reassure DCM Scott that the promised legislation on elections, political parties, and media will be ready by the end of the year. OSCE Center in Astana also expressed cautious optimism that the President's speech will translate into direct action from the government. Civil society leaders are less optimistic that the new legislation will go beyond "cosmetic changes." One leading activist said democratic transition will come only after the ruling elite negotiate full protection for its economic assets. The push to pass the new religion law seems to have slowed, although civil society activists and the OSCE are still watching the legislation closely. END SUMMARY.

¶2. USOSCE DCM Kyle Scott traveled to Kazakhstan June 26 - 30 to attend the OSCE Parliamentary Assembly (PA) as well as to gather information on Kazakhstan's progress on the Madrid commitments. He spent two days in Almaty, where he met with leaders of civil society, religious groups, independent media, and opposition parties, and several days in Astana, where one day was devoted to bilateral meetings with the government.

GOVERNMENT PROMISES PROGRESS ON MADRID...

¶3. DCM Scott's bilateral meetings came directly on the heels of President Nazarbayev's speech at the OSCE PA in which he publicly discussed the Madrid commitments. As could be expected, the government was eager to reassure us that the promised legislative changes will be ready before the end of the year. The President's Internal Policy Director Erlan Karin said that the draft laws on election, political parties, and media were already in the works. He stressed that while the government bureaucracy was lagging, the political will was there. According to Karin, the President's speech was a sign of the shift of priorities within the government. While it was previously "focused on stability," its new focus is "stability of development." "Madrid is just the beginning," said Karin.

¶4. Similar assurances were made by the Culture and Information Minister Mukhtar Kul-Mukhammed and Central Election Commission (CEC) Chairman Kuandyk Turgankulov. Kul-Mukhammed said the draft legislation on media should go to the Mazhelis in September, and Turgankulov expects the new election law to be ready by December. In answer to DCM Scott's question on Nazarbayev's promise of "at least a two party Parliament," Turgankulov said the new law will likely drop the Mazhelis threshold requirement for the second-highest winner to assure multi-party representation.

¶5. In DCM Scott's meeting with the OSCE Center in Astana, Head of Center Ambassador Keltchewsky and Deputy Head Jeannette Kloetzer both expressed cautious optimism about Kazakhstan's progress. "The trend is positive," said Kloetzer. She noted that the officials who were previously reluctant to "cross the line" now had the President's official sanction to move forward. Keltchewsky added

that the speech presented a unique opportunity to gain momentum on the Madrid commitments. Kloetzer and Keltchewsky agreed with DCM Scott that the Centre faces an important job of unitizing this opportunity to make sure the new legislation truly upholds the spirit of OSCE principles.

... BUT CIVIL SOCIETY SEES LITTLE MOVEMENT

16. During meetings held in Almaty before Nazarbayev's speech, opposition party leaders shared a predictably less optimistic view of Kazakhstan's political scene. CPK's Serikbolsyn Abdildin derided the one-party Mazhelis as a corrupt institution that simply rubber-stamps the government's initiatives. Azat's Tulegen Zhukeyev added that the opposition parties are kept artificially weak by the "cynical fixing of elections," something only pressure from "the West" can alleviate. NSDP's Amirzhan Kosanov struck a more optimistic note, saying that public demand that Kazakhstan fulfill its Madrid commitments should bring about positive changes. All agreed that the new law on political parties will be ready on schedule, but worried that it will only include "cosmetic changes."

17. Representatives of the independent press were equally pessimistic on the new law on the media. At a round-table on media freedom, watchdog NGO Adil Soz's Tamara Kaleyeva said that the proposals under consideration from the government would do little to change the current restrictive environment. The biggest issues -- strict registration requirements for print media and criminal penalties for libel -- are not being addressed, she said. Inkarnfo's journalist Sergey Duvanov and Tarzhargan Weekly's

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editor Tarzhargan Bapi noted that the government's use of libel laws was responsible for much of the self-censorship in print media and television. On the question of freedom of the internet, Duvanov said that opposition news websites were still being periodically blocked.

18. Discussing the law of elections, Republican Network of Independent Monitors' (RNIM) Taskyn Rakhimbekova said she doesn't expect much from new legislation. Rakhimbekova's NGO monitored 25% of the polls during the last elections, and in her opinion, count irregularities were more the result of overzealousness on the part of local akims than defects in the election law. The akims are directly appointed and do not want to jeopardize their job security, she said. While a new law on elections would be progress, Rakhimbekova does not believe it would not bring substantial changes.

19. Kazakhstan Bureau for Human Rights' Yevgeniy Zhovtis gave a more nuanced view of the situation. Zhovtis told DCM Scott that while he has no doubts that the government will pass the necessary legislation before the end of the year, he does not expect it to bring any seismic shifts to the political scene. In his opinion, true political reform will not take place until the ruling elite can successfully negotiate full protection for its economic assets. "How many countries have billionaires on the Presidential staff?" he asked, referring to Presidential Administrator Bulat Utemuratov, who recently made the Forbes' 2008 World's Richest People list. Many in Nazarbaev's circle stand to lose their fortunes if removed from power, explained Zhovtis, and are understandably reluctant to introduce any major changes to the current order. It is his belief that true democratic reform will be a slow process involving careful negotiations within the ruling circle. (Comment: In fact, the appearance of Utemuratov and other Kazakhstanis on the Forbes list demonstrates progress toward transparency and legalization of assets, either through IPOs that converted assets into publicly traded shares or, as was the case with Utemuratov sale of assets, to major western companies that have conducted due diligence on their purchase. The result brings these riches out of the shadow somewhat reduces the long-term vulnerability of their owners. End comment.)

PROMISING SIGNS ON RELIGION LEGISLATION

¶10. Along with the Madrid commitments, the draft religion legislation was a frequent topic of DCM Scott's conversations. During a meeting with Helsinki Committee's Ninel Fokina and representatives of Jehovah's Witnesses and Hare Krishnas, Fokina said that while the newest version of the law is an improvement over the original, it still represents "significant threat to religious freedom."

OSCE Almaty Liaison Office's Human Dimension Officer Eugenia Benigni told DCM Scott that OSCE/ODIHR continues to watch the legislation closely. Her office organized several meetings between a visiting religious freedom expert from ODIHR and the MFA and Committee on Religious Affairs. She said that the OSCE also plans to do training sessions on religious freedom for government officials in mid-September. (Note: September is when the Mazhelis will likely pick up the legislation after its summer holiday. End Note.) OSCE Astana Centre's Kloetzer noted that the drive to pass the law has slowed, something she ascribes to the successful intervention from the NGOs and international community. President Administration's Karin cautiously let us know that the support for the law was lessening. Careful to underline that the final decision will come from the Mazhelis, he said that the Administration had "several conversations with [Mazhelis] members" on potential issues with the new legislation. According to Karin, Kazakhstan's "two main religious groups" -- presumably Muslims and Orthodox Christians -- were also beginning to have second thoughts about the law.

¶11. COMMENT: It is clear that the President's speech gave the government a green light on the Madrid commitments. The government will likely produce the "Madrid" legislation before the end of the year. Whether it will be the "new beginning" that Karin promises, or the "cosmetic changes" that civil society predicts, remains to be seen.

DCM Scott did not have a chance to clear this cable.

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